

ASSEMBLY BILL

No. 1499

Introduced by Assembly Member Evans

February 27, 2009

An act to add and repeal Section 19605.78 of the Business and Professions Code, relating to horse racing, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1499, as introduced, Evans. Horse racing: workers' compensation.

Existing law, until January 1, 2014, authorizes a quarter horse racing association to deduct an additional 0.5% of the total amount handled in its exotic parimutuel pools and a harness racing association to deduct an additional 1% of the total amount handled in conventional parimutuel pools of harness races, under certain conditions, for workers' compensation insurance costs of trainers and owners, as specified, with any funds not expended for this purpose in the year in which they are collected to either be used for the following year's workers' compensation costs or to benefit the purse pool, as specified. If the racing association and the organization representing horsemen and horsewomen cannot agree on the manner of distribution of these funds to defray the costs of workers' compensation insurance, the matter is required to be submitted to the California Horse Racing Board for a decision.

This bill would also authorize a fair to deduct an additional 0.5% of the total amount handled in exotic parimutuel pools of races for any breed, other than races solely for thoroughbreds. This deduction would also be for similar purposes and subject to similar conditions as the quarter horse racing association and harness racing association

authorizations discussed above. This authorization would also expire on January 1, 2014.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 19605.78 is added to the Business and
2 Professions Code, to read:

3 19605.78. (a) Notwithstanding Section 19610 and in addition
4 to the deduction specified in subdivision (b) of Section 19605.75,
5 a fair may deduct an additional 0.5 percent of the total amount
6 handled in exotic parimutuel pools of races for any breed, other
7 than races solely for thoroughbreds. This additional deduction
8 shall only be permitted for a breed's races with the approval of the
9 organization representing the horsemen and horsewomen of that
10 breed at the fair.

11 (b) Any funds collected pursuant to subdivision (a) from exotic
12 parimutuel pools on races within the inclosure of a racetrack, at
13 satellite wagering facilities within this state, and through advance
14 deposit wagering by residents of this state, shall be distributed to
15 the organization described in subdivision (e) to be used in
16 accordance with subdivision (d).

17 (c) Any fair that authorizes a betting system located outside of
18 this state to accept exotic wagers on its races and to combine those
19 wagers in the association's exotic parimutuel pools, including, but
20 not limited to, a multijurisdictional wagering hub as to exotic
21 wagers made by residents other than those of this state, may deduct
22 the amount specified in subdivision (a) in addition to any other
23 applicable deductions specified in law. Any amount deducted
24 pursuant to this subdivision shall be distributed to the organization
25 described in subdivision (e) to be used in accordance with the
26 provisions of subdivision (d). This additional deduction shall not
27 be included in the amount on which license fees are determined
28 pursuant to Section 19602.

29 (d) The amounts distributed to the organization described in
30 subdivision (e) shall be deposited by that organization in a separate
31 account to defray workers' compensation insurance costs for

1 trainers and owners who are racing breeds other than thoroughbreds
2 at the applicable fair. Any funds not expended for this purpose in
3 the calendar year in which they are collected may either be used
4 for the following year's workers' compensation costs, as specified
5 above, or to benefit the purse pool of each breed at the particular
6 fair where the funds are generated in the same proportions as each
7 breed generated at that fair in the year the funds are collected.

8 (e) The fairs and the organizations representing the horsemen
9 and horsewomen of each breed for which deductions have been
10 approved under subdivision (a) shall form an organization to which
11 any funds deducted pursuant to subdivisions (b) and (c) shall be
12 distributed. The fairs collectively shall have representation equal
13 to the collective representation of the organizations representing
14 horsemen and horsewomen on the governing board of the
15 organization formed pursuant to this subdivision.

16 (f) If the fairs and the organizations representing horsemen and
17 horsewomen cannot agree on the manner for distributing these
18 funds to defray the costs of workers' compensation insurance, the
19 matter shall be submitted to the California Horse Racing Board
20 for a decision consistent with subdivision (d), and the decision of
21 the board shall be final.

22 (g) This section shall remain in effect only until January 1, 2014,
23 and as of that date is repealed, unless a later enacted statute, that
24 is enacted before January 1, 2014, deletes or extends that date.

25 SEC. 2. This act is an urgency statute necessary for the
26 immediate preservation of the public peace, health, or safety within
27 the meaning of Article IV of the Constitution and shall go into
28 immediate effect. The facts constituting the necessity are:

29 In order to ensure that trainers and owners of certain horse racing
30 breeds continue to receive assistance in defraying workers'
31 compensation insurance costs, as is currently done for trainers and
32 owners of other horse racing breeds, it is necessary that this bill
33 take immediate effect.